



House of Representatives

General Assembly

File No. 198

February Session, 2008

House Bill No. 5710

House of Representatives, March 26, 2008

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING MUNICIPAL SHARED RISK GROUPING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective January 1, 2009*) Notwithstanding the
- 2 provisions of title 38a of the general statutes, two or more
- 3 municipalities may join together as a single entity for the purpose of
- 4 procuring health insurance for their employees. Any such group shall
- 5 be approved by the commissioner and shall be fully funded.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2009</i>	New section
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INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
Various Municipalities	Savings	Potential	Potential

Explanation

The bill could result in potential savings for municipalities as it allows two or more municipalities to join together as a single entity to obtain health insurance for their employees. It requires these participating groups to be fully funded and the arrangement needs to be approved by the Department of Insurance (DOI) commissioner. Approval by the commissioner may require the staff resources of DOI. This is anticipated to be handled within existing resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of municipalities that choose to group together.

OLR Bill Analysis**HB 5710*****AN ACT CONCERNING MUNICIPAL SHARED RISK GROUPING.*****SUMMARY:**

This bill permits two or more municipalities to join together as a single entity to obtain health insurance for their employees. It requires the group to be fully funded and obtain the insurance commissioner's approval.

EFFECTIVE DATE: January 1, 2009

BACKGROUND***Related Law***

Existing law gives two or more towns authority to perform jointly, under an approved joint agreement, any function that they may perform individually under any statute, special act, charter, or home-rule ordinance (CGS § 7-148cc). The law does not apply to school districts. By law, municipalities and service districts also may perform specified functions jointly through interlocal agreements.

Related Bill

sHB 5536, which the Labor and Public Employees Committee reported, (1) allows municipalities to join the state employee health insurance plan and (2) establishes a Municipal Health Care Advisory Committee to make recommendations about municipal employees' health care coverage to the Health Care Costs Containment Committee.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/11/2008)